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SOURCE Zeri i Popullit, No 281, 1949.

The following table shows how the Albanian national budget has increased since the financial year 1945-46 (in millions of lek):

	<u>1945-46</u>	<u>1946-47</u>	<u>Apr-Dec</u> <u>1947</u>	<u>1948</u>	<u>1949</u>
Income	1,233	2,261	4,106	5,553	6,550
Expenditures					
Economy	13	415	180	2,020	2,202
Education, culture	91	124	217	358	492
Public health	83	232	150	464	643
Army	742	784	1,158	1,066	913
Administration	142	147	494	683	776

[Listed expenditures total less than income in each case.]

The following table gives the percentage of increase during the same years:

	<u>1945-46</u>	<u>1946-47</u>	<u>Apr-Dec 1947</u>	<u>1948</u>	<u>1949</u>
Income	100	183	341	450	531
Expenditures					
Economy	1	18.3	26.9	36.3	33.6
Education, culture	7.3	5.4	5.2	6.4	7.5
Public health	6.7	10.2	3.6	8.3	9.8
Army	60.1	34.6	27.8	19.1	13.9
Administration	11.5	6.5	12	12.2	11.8

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The following tax table shows how the chief tax burden has been shifted from the working classes and the poor to the bourgeoisie and the rich since the war (income and taxes expressed in lek).

Population Category	Year	Up to 20,000	Up to 50,000	Up to 100,000	Up to 300,000
Peasants	1938	2,000	5,000	10,000	30,000
	1948	600	4,400	19,900	129,200
Merchants	1938	700	2,752	5,000	123,000
	1948	1,760	6,380	25,080	159,080
Landowners	1938	-	320	2,696	21,391
	1948	1,720	5,440	19,440	169,440
Artisans	1938	700	2,752	5,000	23,000
	1948	1,280	3,800	12,200	107,200

As a result of the improvement in agricultural production and incomes, the farm population provided 5.6 percent of the total national revenue for the 1947 budget year (April to December) and 12 percent for 1948, and according to the plan, will provide 13 percent in 1949. Between 1938 and 1948, the peasantry provided an average of 28.75 percent of all revenues in direct duties and taxes. Of this sum, the tithe brought in 32.33 percent, import duties 23.22 percent, and various taxes 31.45 percent [these do not total 100 percent].

At the beginning of 1949 a proper system of taxation was developed on the basis of Soviet experience. It provided for proper payments for services performed by the state for the benefit of the individual, and replaced the old system of municipal and communal taxes, road taxes, etc., that had long burdened the working masses.

The reorganization of enterprises on a socialist basis, which took place in 1947, made it possible for the state to accumulate a surplus on the basis of scientific planning. In 1947 the state accumulated 477,675,000 lek, or 12.9 percent [sic] of the total budget; in 1948 it accumulated 1,022,410,000 lek, or 19.3 percent [sic]; and in 1949 it saved 1,735,333,000 lek, or 26.4 percent [sic].

In July 1949 the First State Loan for the Development of the Albanian Economy and Culture was announced. The loan was more than successful; 305 million lek instead of the planned 250 million were subscribed. This loan made possible the fulfillment of the Two-Year Plan, including the construction of the textile and sugar combines.

Prewar and postwar budget expenditures are contrasted in the following table (in thousands of lek):

	1938-39	Percent	1949	Percent
Total Expenditures	447,120	100	6,550,000	100
Royal roads, payments to the royal family, and the palace Economy	11,200	2.5	-	-
Education, culture	27,476	6.2	2,202,863	33.6
Welfare, health	54,768	12.2	492,438	7.5
Army	12,864	2.9	643,764	9.8
Administration and Ministry of Interior	139,424	31.1	923,721	13.9
	779,552	40.1	776,021	11.8

[Listed expenditures total less than the respective totals given.]

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Since the war all Albanian banks have been nationalized, and since 1946 the State Bank of Albania has served as the sole banking institution in Albania. Its loans for the development of agriculture and for the purchase of farm implements, draft animals, and all other agricultural necessities have been distributed as follows (in percents of the total):

Sector	Dec 45	Dec 46	Dec 47	Dec 48	Sep 49
State	83.9	84.6	85.6	72.2	56.8
Cooperative	-	14.2	13.3	26.4	42.2
Private	19.02	1.14	1	1.36	1.01

On the basis of Soviet experience, a new credit system was adopted in 1948, and has been showing satisfactory results. Under this system, the State Bank helps state enterprises and cooperative organizations financially and administratively and also helps them fulfill their plans.

The State Bank established relations first with the USSR and the People's Democracies, and now has regular contacts with the banks of 45 different countries.

Savings deposits have increased as follows since the war (1945 = 100): 212 in 1946, 1,676 in 1947, 3,791 in 1948, and 3,893 in August 1949.

The ISIS (State Insurance Institute) now provides fire insurance, insurance against damage from natural disaster, travel accident insurance, and life insurance. The plan for 1949 calls for 10.6 percent more fire insurance and 93 percent more accident insurance than in 1948.

The Teknikum Financiar 11 Janar, a professional school for training fiscal personnel, has 215 students.

The Albanian budget for 1949 presupposes credits from the USSR, including machinery and capital equipment. Soviet aid and aid from the People's Democracies make up 36.9 percent of the Albanian budget.

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